

**Company Registration No. 00123622 (England and Wales)**

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

FRIDAY



A23

\*A5MF2FCP\*

23/12/2016

#88

COMPANIES HOUSE

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr P D Swann Mrs K L Swann Mr C Swann Mr J Rodwell
<b>Vice-Presidents</b>	Sir I T Botham O.B.E. K R Waters B Heywood M.B.Ch, B.F.R.C.O.G. Dr J Zacharais B.B.S. G Taylor O.B.E. T Jacklin O.B.E. R Clemence M.B.E. J Oxenforth K Wagstaff
<b>Manager</b>	G Alexander
<b>Secretary</b>	Castlegate Secretaries Limited
<b>Company number</b>	00123622
<b>Registered office</b>	Glanford Park Jack Brownsword Way Scunthorpe North Lincolnshire DN15 8TD
<b>Auditor</b>	UHY Hacker Young 14 Park Row Nottingham NG1 6GR

---

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Chairman's statement	1 - 2
Strategic report	3 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 28

---

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

### **Chairman's statement**

#### **The Rollercoaster!**

After a very mixed start to the season Mark Robins had managed to turn our fortunes around with a Manager of the Month award and a trip to Chelsea in the FA cup, but as we exited December it was quite clear that things were very strained between him and the fans. A combination of negative tactics with one striker up front at home and a crushing defeat to Blackpool away meant the path we tried so strongly to achieve had come to an end. Subsequent to the defeat against Blackpool I decided we needed something new and dynamic to try and rectify the season so we parted company with Mark and Nick Daws and Andy Dawon temporarily took charge of the team.

Whilst searching through hundreds of CV's Nick and Andy had managed to revive our fortunes with a few wins and we looked a different side. We were confident and began to show the promise we all thought the team had.

Not being a fan of joint managers I decided to give Nick Daws the opportunity to manage with Andy as his number two until the end of the season and over the next 7 games we did okay, an improvement but not ideal and I believed at that time a Manager with experience was needed. Nick had done extremely well for his first attempt at management but we were lacking something and because of that I decided to interview Graham Alexander who had previously been at Fleetwood, but was out of work.

Having been a Manager for 3 seasons, starting his playing career at Scunthorpe and having been of interest to me before, I felt we had one last chance to get into the play offs and appointed Graham with the task of trying to win as many games as possible before the end of the season. Unfortunately we cruelly lost on goal difference in our quest for the play offs. A fantastic finish to the season and one which would give us a solid platform, to work from.

The beginning of the season saw a quiet recruitment process, focussing on developing the squad that finished the previous campaign so well and then integrating a few new faces in Josh Morris, Sam Mantom, Duane Holmes and welcoming back Kevin Van Veen from his loan spell in Holland.

Starting the season strongly we moved towards the end of the transfer window only looking for quality signings, who could improve and strengthen the squad. We signed Richie Smallwood and Harry Toffolo on loan and permanently signed Johnny Margetts from Lincoln, after he began to show true goal scoring qualities in the Conference National.

I am happy to say on writing this that we sit top of League One and begin an exciting and hopefully fruitful campaign in our quest for Championship football.

Within the structure of the football club we have made many changes in personnel, as we work towards developing our team, for the move to the new stadium. The move itself has stalled whilst there have been delays outside of our control. We are however working closely with the Council to acquire the land and have high hopes this can be delivered before the end of January 2017.

We as directors of the club have again committed our time and money to ensuring the move goes ahead and further financing via the purchase of shares secures the coming seasons before we move. We now control 87% of the current shareholding which we believe shows continued commitment.

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

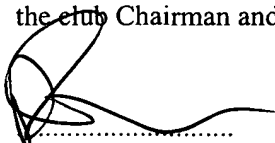
## **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

Unfortunately we had a negative response to our "Iron" share scheme from the shareholders as a group and we will no longer pursue that path. It was disappointing for us but we understand the shareholders and honoured their view to not move this forward.

On a sad note we lost our long time president John Godfrey during the last year and our thoughts go out to his family and friends. He was a true stalwart of the club and supported me fully in my integration as the club Chairman and in my visions for its future, he will be missed but remembered fondly.



Mr P D Swann

**Chairman**

28/11/2016

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

The directors present the strategic report for the year ended 30 June 2016.

### **Fair review of the business**

The results for the year are shown in the profit and loss account of the financial statements and are summarised below, along with information on where the club sees it's self in the future.

The Club continues to make losses as in previous years and 15/16 sees an increase once again but not to the extent of the increase between 13/14 and 14/15. There are still a number of positives taken from these results in various areas of the business with programme sales and advertising, sponsorship and commercial showing healthy increases in income year on year.

Our actual pre-tax loss of £3.75M (£2.6M post tax losses) was an increase of just over £0.57M on the previous year, with more than this, circa £1m, taken up in wages, salaries and settlements.

Turnover has increased from £3.07M to £3.7M with over £0.4M of the increase attributable to the FA Cup third round draw away at Chelsea.

The increase in player wages is the investment in strengthening the squad to work towards fulfilling our aim of achieving Championship football. We invested in players both during the summer of 2015 as well as in the January 2016 transfer window. Once again we saw a change of some of the management team with the resultant exit settlements. The arrival of a new manager saw the team go on a very positive run and only just missing out on the play-offs.

The majority shareholders purchased just over £3.78M in additional share capital during this period, in order to provide investment for the strengthening of the squad. The current shares owned by myself on behalf of Coolsilk Property & Investment Limited now stand at around 87% of shares issued.

Unfortunately delays out of our control have put back moving into the stadium until 2018. The Club is endeavouring to move forward in its ambition to attain the land and progress is expected to be made in the coming months. Work on acquiring the leases within the stadium continue and we are confident that around Spring 2017 work can begin on the build and the announcement of these tenants could be made.

Share capital will continue to increase, so enabling us to stabilise the club, and with an improved finish to the 15/16 season we are hopeful that our continued progress up the league will help us to sustain and even further increase the improvement in the gates and income streams we have seen so far in the 16/17 season.

Our current position at the top of League One is promising and with continued support and investment from Coolsilk Property & Investment Ltd, should hopefully ensure a high finish in the league with at least a play-off place come the end of May 2017.

Preparations are in place if we achieve promotion to the Championship whilst still at Glanford Park, but we do not envisage that a huge investment in infrastructure will be required.

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

### **Principal risks and uncertainties**

The Board constantly monitors new developments and assesses the threats to the business by close monitoring of the sectors in which it operates

Business Risks identified are potential reduced income from dwindling gates due to the performance of the team and local market forces.

The Board ensures compliance with all relevant rules and regulations, in particular those laid down by the FA, English Football League, UEFA and FIFA. Any change to the regulations of these bodies could have an impact on the company as they cover areas such as; Competition Format, Distribution of Media Income, Player eligibility and operation of the Transfer Market. The Board ensures compliance with all the relevant rules and regulations, thus monitoring the impact of any potential changes.

### **Key performance indicators**

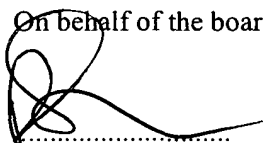
The directors consider the following to be the key performance indicators of the club:

Turnover - £3,707,300 (2015 - £3,068,537)

Wage to turnover % - 132.1% (2015 - 129.2%)

League finishing position in relevant season – 7th in English Football League 1 (2015 - 16th in English Football League 1)

On behalf of the board



Mr P D Swann

Director

28/11/2016

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

The directors present their annual report and financial statements for the year ended 30 June 2016.

### **Principal activities**

The principal activity of the company continued to be that of a English Football League club.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P D Swann  
Mrs K L Swann  
Mr C Swann  
Mr J Rodwell

### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

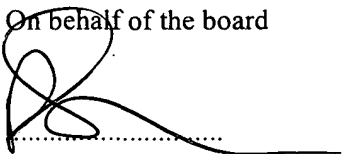
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr P D Swann

**Director**

28/11/2016

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

---

We have audited the financial statements of Scunthorpe United Football Club Limited for the year ended 30 June 2016 set out on pages 9 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 - 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Jonathan Warsop ACA FCCA (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

*28 November 2016*

**Chartered Accountants**  
**Statutory Auditor**

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**PROFIT & LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	2015 £
<b>Turnover</b>	<b>3</b>	3,707,300	3,068,537
Cost of sales		(6,585,931)	(5,400,974)
<b>Gross loss</b>		(2,878,631)	(2,332,437)
Administrative expenses		(484,275)	(524,776)
<b>Operating loss</b>	<b>4</b>	(3,362,906)	(2,857,213)
Interest receivable and similar income	<b>7</b>	1,369	-
Interest payable and similar charges	<b>8</b>	(189,220)	(115,907)
Net cost of trading in players		(197,639)	(205,898)
<b>Loss before taxation</b>		(3,748,396)	(3,179,018)
Taxation	<b>9</b>	1,149,214	-
<b>Loss for the financial year</b>		(2,599,182)	(3,179,018)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

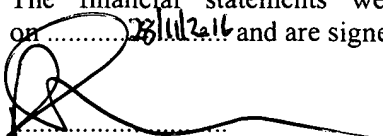
# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	10	483,998		326,283	
Tangible assets	11	6,728,948		5,973,741	
		<u>7,212,946</u>		<u>6,300,024</u>	
<b>Current assets</b>					
Stocks	12	17,562		26,636	
Debtors	13	172,602		304,232	
Cash at bank and in hand		83,503		82,385	
		<u>273,667</u>		<u>413,253</u>	
<b>Creditors: amounts falling due within one year</b>	14	(1,217,520)		(1,707,970)	
<b>Net current liabilities</b>		<u>(943,853)</u>		<u>(1,294,717)</u>	
<b>Total assets less current liabilities</b>		<u>6,269,093</u>		<u>5,005,307</u>	
<b>Creditors: amounts falling due after more than one year</b>	15	(4,599,268)		(4,513,140)	
<b>Net assets</b>		<u><u>1,669,825</u></u>		<u><u>492,167</u></u>	
<b>Capital and reserves</b>					
Called up share capital	18	6,700,000		2,923,160	
Revaluation reserve		3,064,167		3,113,086	
Other reserves		2,501		2,501	
Profit and loss account		(8,096,843)		(5,546,580)	
<b>Total equity</b>		<u><u>1,669,825</u></u>		<u><u>492,167</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 28/11/2016 and are signed on its behalf by:

  
Mr P D Swann  
Director

Company Registration No. 00123622

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2014</b>		1,487,560	3,162,005	2,501	(2,416,481)	2,235,585
<b>Year ended 30 June 2015:</b>						
Profit and loss account		-	-	-	(3,179,018)	(3,179,018)
Issue of share capital	18	1,435,600	-	-	-	1,435,600
Transfers		-	(48,919)	-	48,919	-
<b>Balance at 30 June 2015</b>		2,923,160	3,113,086	2,501	(5,546,580)	492,167
<b>Year ended 30 June 2016:</b>						
Profit and loss account		-	-	-	(2,599,182)	(2,599,182)
Issue of share capital	18	3,776,840	-	-	-	3,776,840
Transfers		-	(48,919)	-	48,919	-
<b>Balance at 30 June 2016</b>		6,700,000	3,064,167	2,501	(8,096,843)	1,669,825

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24	(2,970,215)		(2,448,621)	
Interest paid		(183,471)		(109,707)	
Amount received for group relieved losses		1,149,214		-	
<b>Net cash outflow from operating activities</b>		<b>(2,004,472)</b>		<b>(2,558,328)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(455,000)		(419,181)	
Proceeds on disposal of intangible fixed assets		-		100,000	
Purchase of tangible fixed assets		(943,160)		(489,718)	
Proceeds on disposal of tangible fixed assets		31,695		-	
Interest received		1,369		-	
<b>Net cash used in investing activities</b>		<b>(1,365,096)</b>		<b>(808,899)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		3,276,840		1,435,600	
Increase in debenture loan		104,946		2,135,000	
Defined benefit pension scheme contribution		(11,100)		(11,100)	
<b>Net cash generated from financing activities</b>		<b>3,370,686</b>		<b>3,559,500</b>	
<b>Net increase in cash and cash equivalents</b>		<b>1,118</b>		<b>192,273</b>	
Cash and cash equivalents at beginning of year		82,385		(109,888)	
<b>Cash and cash equivalents at end of year</b>		<b>83,503</b>		<b>82,385</b>	

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

### **1 Accounting policies**

#### **Company information**

Scunthorpe United Football Club Limited is a company limited by shares incorporated in England and Wales. The registered office is Glanford Park, Jack Brownsword Way, Scunthorpe, North Lincolnshire, DN15 8TD.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Scunthorpe United Football Club Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Coolsilk Limited. These consolidated financial statements are available from its registered office.



# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

---

### 1 Accounting policies (Continued)

#### 1.2 Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position and are set out in the Strategic report on pages 3 and 4.

The financial statements have been drawn up on a going concern basis which assumes the continuing financial support of the parent company Coolsilk Property and Investment Limited who has confirmed that it is its present intention to provide financial support to Scunthorpe United Football Club Limited for the foreseeable future.

The Directors therefore have a reasonable expectation that the Company will be able to continue as a going concern for the foreseeable future.

#### 1.3 Turnover

Turnover comprises the amounts charged to customers for tickets, English Football Association and English Football League distributions, league sponsorship and broadcasting fees, lottery income, programme sales, sponsorship, advertising, match day catering, shop sales, donations and income from the restaurant and bar, which are all excluding VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets other than goodwill

The transfer fees and costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised evenly over the contract period. Permanent diminutions in value below the amortised value, such as through injury or loss of form, are provided when management become aware that the deminution is permanent.

Transfer fees receivable in excess of the costs not written off are included in the calculation of profit or loss on disposal of players' contract.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2 - 10% straight line
Assets under construction	No depreciation
Fixtures, fittings & equipment	10 - 33% straight line
Motor vehicles	33% straight line

Freehold land is not depreciated.

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1 Accounting policies

(Continued)

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge of those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Assets under the course of construction are included on the balance sheet at cost and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but in the opinion of the directors and in order to give a true and fair view of the financial position, these are not depreciated. At the balance sheet date the capitalised costs are for professional fees only.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

---

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### *Group relief*

Tax losses arising during the year have been surrendered to the parent company.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

There is also a second pension scheme where certain numbers of the company's employees and ex-employees are members of the Football League Pension and Life Assurance Scheme (FLPLAS), a defined benefit scheme. As the company is one of a number of participating employers in FLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Under the provisions of FRS 102 the scheme is treated as a defined benefit multi-employer scheme.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

---

### 1 Accounting policies (Continued)

#### 1.13 Grants receivable

Asset related grants are credited to the profit and loss account over the expected useful life of that assets to which they relate. Revenue related grants are credited to the profit and loss account over the period to which they relate.

#### 1.14 Signing on fees

Contractual amounts of fees payable to players are recognised as prepayments and spread evenly over the contract period. The net balance of signing on fees relating to players sold is included within the calculation of profit or loss on disposal of players' contracts.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
<b>Turnover</b>		
Gate receipts and ticket sales	1,190,885	980,143
League central distribution	1,070,150	925,200
Broadcasting and internet	185,077	103,746
Programme sales and advertising	126,096	59,121
Sponsorship	173,144	132,807
Commercial	259,871	158,767
Hospitality and catering	369,501	411,845
Academy	332,576	296,908
	<u>3,707,300</u>	<u>3,068,537</u>

All turnover relates to trading in the UK.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**4 Operating loss**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Grant income	12,147	12,145
Fees payable to the company's auditor for the audit of the company's financial statements	12,500	12,000
Depreciation of owned tangible fixed assets	169,928	195,434
Profit on disposal of tangible fixed assets	(13,670)	-
Amortisation of intangible assets	297,285	221,898
Cost of stocks recognised as an expense	191,350	137,490
Operating lease charges	10,605	10,605
	<u>          </u>	<u>          </u>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Football	37	33
Ground staff	5	6
Administration	18	10
Match day casuals	74	71
Restaurants	17	17
School of excellence	29	16
Commercial	4	4
	<u>          </u>	<u>          </u>
	184	157
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,898,785	3,965,008
Social security costs	479,850	378,254
Pension costs	12,413	21,254
	<u>          </u>	<u>          </u>
	5,391,048	4,364,516
	<u>          </u>	<u>          </u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**6 Directors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	188,433	56,670
Company pension contributions to defined contribution schemes	1,790	-
	<u>190,223</u>	<u>56,670</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 0).

**7 Interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	1,369	-
	<u>1,369</u>	<u>-</u>

**8 Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	8,084
On other loans	189,220	107,823
	<u>189,220</u>	<u>115,907</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

**9 Taxation**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Group Relief	(1,149,214)	-
	<u>          </u>	<u>          </u>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Loss before taxation	(3,748,396)	(3,179,018)
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(749,679)	(635,804)
Tax effect of expenses that are not deductible in determining taxable profit	19,117	22,268
Tax effect of income not taxable in determining taxable profit	(2,429)	(2,510)
Unutilised tax losses carried forward	732,991	616,046
	<u>          </u>	<u>          </u>
Tax expense for the year	-	-
	<u>          </u>	<u>          </u>

The company has estimated losses of £8,569,324 (2015 - £7,202,814) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for Corporation Tax.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**10 Intangible fixed assets**

	Cost of player registrations £
<b>Cost</b>	
At 1 July 2015	534,931
Additions	455,000
Disposals	(47,500)
	<hr/>
At 30 June 2016	942,431
	<hr/>
<b>Amortisation and impairment</b>	
At 1 July 2015	208,648
Amortisation charged for the year	297,285
Disposals	(47,500)
	<hr/>
At 30 June 2016	458,433
	<hr/>
<b>Carrying amount</b>	
At 30 June 2016	483,998
	<hr/> <hr/>
At 30 June 2015	326,283
	<hr/> <hr/>



# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 11 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2015	6,736,070	501,938	764,214	1,500	8,003,722
Additions	-	819,927	123,233	-	943,160
Disposals	-	-	(33,835)	-	(33,835)
At 30 June 2016	6,736,070	1,321,865	853,612	1,500	8,913,047
<b>Depreciation and impairment</b>					
At 1 July 2015	1,497,874	-	530,942	1,165	2,029,981
Depreciation charged in the year	120,384	-	49,379	165	169,928
Eliminated in respect of disposals	-	-	(15,810)	-	(15,810)
At 30 June 2016	1,618,258	-	564,511	1,330	2,184,099
<b>Carrying amount</b>					
At 30 June 2016	5,117,812	1,321,865	289,101	170	6,728,948
At 30 June 2015	5,238,196	501,938	233,272	335	5,973,741

In accordance with FRS 102, the freehold land and buildings known as Glanford Park, with a historical cost of £2,240,034 (including an element of land of £85,990) was revalued to a value of £5,500,000 (including land valued at £900,000) on a depreciated replacement cost basis on 29 August 2001 by Clark Weightman Chartered Surveyors and included in the accounts as at 31 July 2001. The valuation has not been updated.

In the opinion of the directors, the current valuation is not materially different to that stated above.

### 12 Stocks

	2016	2015
	£	£
Stocks	17,562	26,636

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

**13 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	67,366	122,178
Other debtors	178	44,885
Prepayments and accrued income	105,058	137,169
	<u>172,602</u>	<u>304,232</u>

**14 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Other loan	<b>16</b>	-	500,000
Trade creditors		311,211	365,184
Taxes and social security costs		191,028	187,112
Other creditors		39,862	56,887
Accruals and deferred income		675,419	598,787
		<u>1,217,520</u>	<u>1,707,970</u>

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Debenture loans	16	4,404,946	4,300,000
Defined benefit pension scheme deficit	16	62,576	69,247
Deferred grant		131,746	143,893
		<u>4,599,268</u>	<u>4,513,140</u>

Certain members of the company's employees and ex-employees are members of the Football League Pension and Life Assurance Scheme (FLPLAS), a defined benefit pension scheme. As the company is one of a number of a participating employers in FLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Under the provisions of FRS 102 the scheme is treated as a defined benefit multi-employer scheme.

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis, and accordingly, no disclosures are made under the provision of FRS 102. At 31 August 2014 an updated actuarial review was performed and caused the trustees to amend the outstanding deficit they agreed to be allocated to Scunthorpe United Football Club Limited to £78,403. The contribution level is £11,100 per annum from September 2012 to August 2019. As the football club is no longer accruing benefits in respect of employees, the directors have made a provision for the fair value of future contributions to be paid.

Amounts included above which fall due after five years are as follows:

Payable by instalments	85,464	97,609
	<u>85,464</u>	<u>97,609</u>

### 16 Loans and overdrafts

	2016 £	2015 £
Debenture loans	4,404,946	4,800,000
Defined benefit pension scheme deficit	62,576	69,247
	<u>4,467,522</u>	<u>4,869,247</u>
Payable within one year	-	500,000
Payable after one year	<u>4,467,522</u>	<u>4,369,247</u>

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 16 Loans and overdrafts (Continued)

Interest is charged on the related party loan at 3% above the base rate. The terms of the loan state that it is repayable as and when the company can afford to repay it.

### 17 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	12,413	21,254

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
335,000 Ordinary shares of £20 each	6,700,000	2,923,160

#### Reconciliation of movements during the year:

	Number
At 1 July 2015	146,158
Issue of fully paid shares	188,842
At 30 June 2016	335,000

During the year, the company allotted share capital at par value for cash consideration.

### 19 Financial commitments, guarantees and contingent liabilities

There are no potential liabilities and assets in respect of the company's players trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability.

The company's bankers have a limited guarantee over the company.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

---

**20 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Within one year	3,018	9,939
Between two and five years	3,517	2,495
	<u>6,535</u>	<u>12,434</u>

**21 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Acquisition of property, plant and equipment	<u>-</u>	<u>1,000,000</u>

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

---

### **22 Related party transactions**

#### **Transactions with related parties**

##### **Coolsilk Property and Investment Limited**

During the year the company received a further loan of £1,254,160 (2015 - £2,135,000) from Coolsilk Property and Investment Limited. Interest paid on this facility during the year amounted to £183,470 (2015 - £101,623). Furthermore, during the year, the company surrendered losses of £1,149,214 (2015:Nil) to Coolsilk Property and Investment Limited. The balance payable by the company at 30 June 2016 was £4,422,167 (2015 - £4,812,786), of which £17,221 (2015 - £512,786) is included in amounts falling due within one year and £4,404,946 (2015 - £4,300,000) is included in amounts falling due after more than one year. Coolsilk Property and Investment Limited is a 100% owned subsidiary of Coolsilk Limited, the company's ultimate controlling party.

During June 2015 Coolsilk Property and Investment Limited made an application to purchase £nil (2015 - £500,000) of shares. Payment for the shares was made at the time of application. The application for the nil (2015 - 25,000) shares in the Company was approved by the Board shortly after the year end. The payment of £nil (2015 - £500,000) is shown within creditors due after more than one year to reflect the substance of the transaction as the monies were not intended to be repaid at any time.

### **23 Controlling party**

The parent company of the company is Coolsilk Property & Investment Limited, a company registered in England & Wales.

The ultimate controlling party is Coolsilk Limited, a company registered in England & Wales and parent of Coolsilk Property & Investment Limited.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**24 Cash generated from operations**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(2,599,182)	(3,179,018)
<b>Adjustments for:</b>		
Amount received for group relieved losses	(1,149,214)	-
Finance costs	189,220	115,907
Investment income	(1,369)	-
Gain on disposal of tangible fixed assets	(13,670)	-
Gain on disposal of intangible assets	-	(16,000)
Amortisation and impairment of intangible assets	297,285	221,898
Depreciation and impairment of tangible fixed assets	169,928	195,434
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	9,074	(2,743)
Decrease in debtors	131,630	86,757
(Decrease)/increase in creditors	(3,917)	129,144
<b>Cash absorbed by operations</b>	<b>(2,970,215)</b>	<b>(2,448,621)</b>